



Escape2

Supporting the Development of Thematic Rural Tourism Strategies

Module 5

*Accessing resources - public finance,
crowdfunding potential and attracting corporate sponsors*

www.escape2project.org



Training Course

How to Develop a Successful High Quality
Rural Tourism Strategy(HQRTS)



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Learning Outcomes

5h synchronous
+
10h asynchronous
(including the
analysis of case
studies)

- You will learn how to identify stakeholders and build a database of financial stakeholders
- You will identify your level of financial literacy and be able to improve on it
- You will achieve a broad understanding of financial resources needed, tools you can use and institutions that play an important role financially
- You will learn about different financial models and use the acquired knowledge to make financial decisions for your own projects
- You will be able to analyze and evaluate case studies and appraise alternative viewpoints



01

*Start by paying attention to the
tourism legislation*

European tourism legislation

The regulation of tourism activity in Europe

https://single-market-economy.ec.europa.eu/sectors/tourism/business-portal/understanding-legislation/regulation-tourism-activity-europe_en

European tourism legislation

https://single-market-economy.ec.europa.eu/sectors/tourism/business-portal/understanding-legislation/european-tourism-legislation_en

“REInA (**Rural European Innovation Area**) is a pan-European open platform which aims to gather innovative initiatives to support the creation of a new Rural European Innovation Area. The objective of REInA is to be the loudspeaker for European rural area voices, pushing their development, growth, business and natural resources by a fair, green and sustainable management. It will also present relevant challenges, calls, contests and other actions, all of them related to rural and territorial verticals.”

Exercise 1 – Research your national legislation



Research your national legislation to see what kind of businesses are suitable for your area, if there are tax exemptions, or any other regulations (taxes and obligations).

30 min.

02

Learn more about your financial stakeholders

Who could be a stakeholder?

A stakeholder can be any person or institution that can affect or can be affected by your project or initiative.

They can either **internal** to the project's organization, such as the people working in your team, or **external**, such as customers, members of a community, creditors, etc.

Not all stakeholders have the same influence over your project, nor will they be affected in the same way as others.

It is a **best practice** to have a **comprehensive list of all your stakeholders**, as you can use it later to help you define your projects' initiatives, whether it is part of communication, sales, finance, etc.

For example, for financing purposes, since it is the topic we are approaching now, it is important to know who are the people or the groups that can provide support financially, at any level. It can be your customers (through sales or crowdfunding – we will approach this later), European or national institutions that provide grants, or just crediting institutions, which will expect a reimbursement later on.

Stakeholders at different levels



Local

- **Local organizations or businesses** – can support or create partnerships
- **Interest group representative bodies** – farmers' union, landowners, forest managers, local rural communities, rural businesses
- **Local action groups**, etc.

See the [LAG Database](#).



National

- **National rural networks (NRNs)** - „operate in each EU Member State to support and enhance rural development objectives as defined in the Rural Development Programmes (RDPs). NRNs enable and facilitate exchange and learning between all the partners involved in Rural Development policy implementation: public authorities, economic and social partners, and the relevant bodies representing civil society”.
- **National Tourism Strategy**

European stakeholders offering funding, 2021-2027 (1/3)

Recovery and Resilience Mechanism (RRM)	As defined in national recovery and resilience plans
European Regional Development Fund (ERDF) and Cohesion Fund	ERDF: investment to strengthen sustainability in terms of and socio-economic sustainability and resilience tourism in the long term, transforming the sector by learning from solutions innovative solutions; Cohesion Fund: tourism-related investments in environment and trans-European transport networks, especially in regions with heavily dependent economy on tourism
European Social Fund Plus (ESF+)	Actions to support employment measures, among support for the green and digital transition by stimulating investment in jobs and skills opportunities.
European Agricultural Fund for Rural Development (EAFRD)	Tourism-related investments included in the national strategic plans under the common agricultural policy.
European Maritime, Fisheries and Aquaculture Fund (EMFF)	Tourism-related projects such as ecotourism, fishing tourism, local gastronomy (fish and seafood restaurants), accommodation, tourist trails, diving, as well as supporting local partnerships in coastal tourism.



European stakeholders offering funding, 2021-2027 (2/3)

LIFE Programme	Environmentally sustainable and tourism-related projects, especially those aimed at reducing carbon dioxide emissions through energy efficiency or energy from renewable sources; projects that "blend" climate change adaptation measures with tourism
HORIZON Europe	Developing new approaches, concepts and practices for cultural tourism accessible and inclusive tourism (research activities in cluster 2: Culture, Creativity and Inclusive Society)
Creative Europe Programme	European Capitals of Culture programme; cooperation projects or platforms, including cultural events in the form of music or performing arts festivals; film festivals and markets; branding cities through culture; developing the creative aspects of sustainable cultural tourism and the design and fashion sectors, and promoting and representing these sectors outside the EU.
Erasmus+	Projects aimed at mobility, skills development and capacity building for young people's employability in the tourism sector, digital skills incultural heritage, hospitality and innovation in tourism research.
Fair Transition Fund	SMEs in the tourism sector: investment in fixed capital or intangible assets. Supporting diversification of economic activity, creation of new business opportunities and helping citizens adapt to a changing labour market.

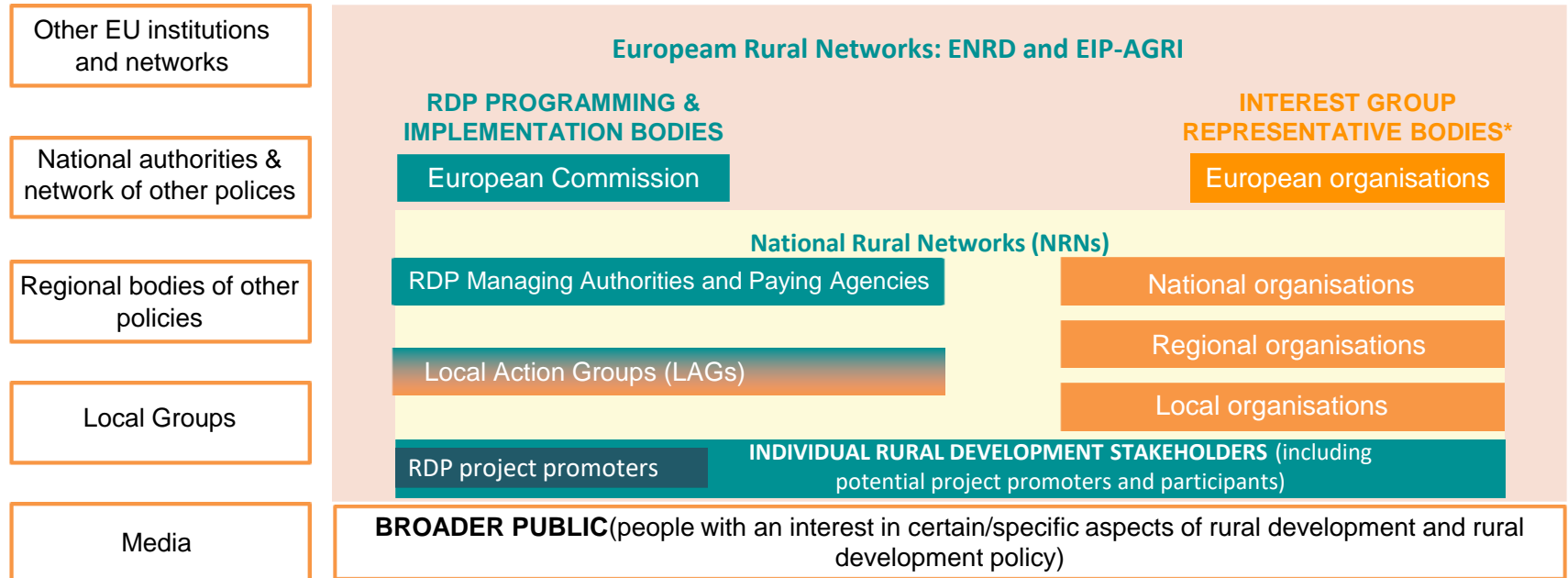


European stakeholders offering funding, 2021-2027 (3/3)

Digital Europe Programme	Creating data spaces: the Common European Heritage Data Space cultural - supporting the digital transformation of the heritage sector cultural sector; creating data spaces: mobility - support for interoperability; European Digital Innovation Centres Network - support for tourism SMEs in digital transformation.
Single Market Programme	Improving the competitiveness of enterprises in the tourism sector in SMEs in particular, and supporting their access to markets/
InvestEU	Investments to strengthen competitiveness, sustainability and chains value chains of tourism; sustainable, innovative and digital measures that could contribute to reducing the sector's climate and environmental footprint.
Support from the European Bank for Reconstruction and Development (EBRD)	Tourism inclusive framework - investment in hotels and tour operators; integrated framework for cultural heritage - projects located near or within a cultural heritage site, improved marketing, sustainable management and operation, connectivity and accessibility, quality and availability of facilities, municipal infrastructure, and projects that link upstream; advice for small businesses - support for tourism SMEs through the network EBRD network of advisers and consultants.



Rural networks and stakeholders



Source: European Network for Rural Development
https://enrd.ec.europa.eu/networking/stakeholder-involvement_en

**These organizations represent the socio-economic partners, civil society, research institutes advisory service providers.*

Exercise 2 – Identify your stakeholders

Managing stakeholders can help you ensure that your projects are met with success where others might fail.

It helps you take into account everyone who significantly impacts a decision or could be affected by it.

Identifying who has various levels of input and interest in your projects can help align decisions.

Brainstorm and make a comprehensive list of potential stakeholders for your project or business.

30-60 min.



Exercise 2 – Guide for identifying your stakeholders

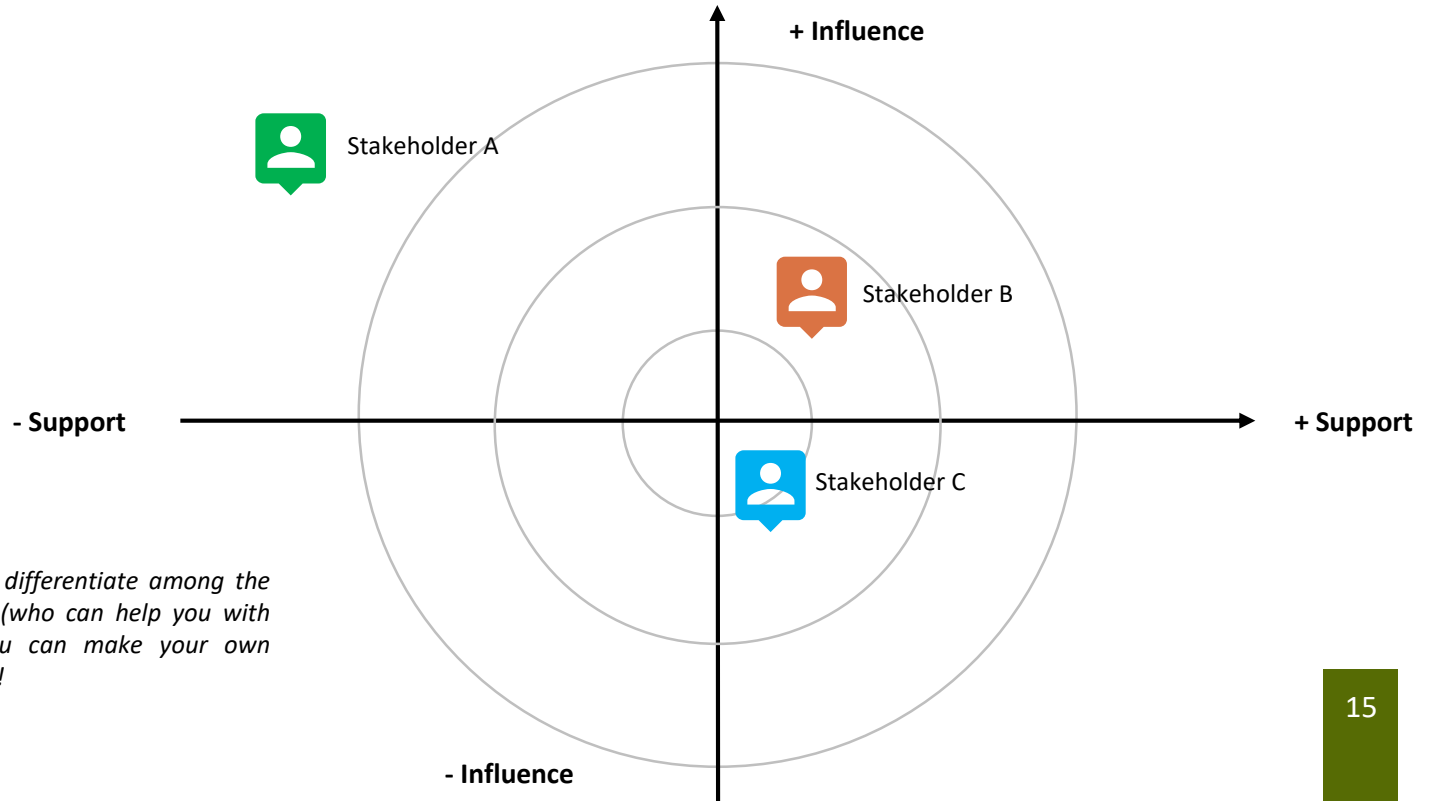
Create your list of stakeholders by answering the following questions:

1. Who will be impacted by this business?
2. Who will be responsible or accountable for the business?
3. Who will have decision authority on the business?
4. Who can support or obstruct the business?
5. Who has been involved in a business like this before?

Examples of stakeholders:

- Clients
- Leaders
- Shareholders
- Students/Participants
- Governments
- The community
- Senior executives
- Partnerships
- Trades associations
- Co-workers
- Suppliers
- The press
- Interest groups
- Customers
- Analysts
- The public
- Prospects
- Key contributors
- Key advisors

Exercise 2 tip: Visual representation of stakeholders

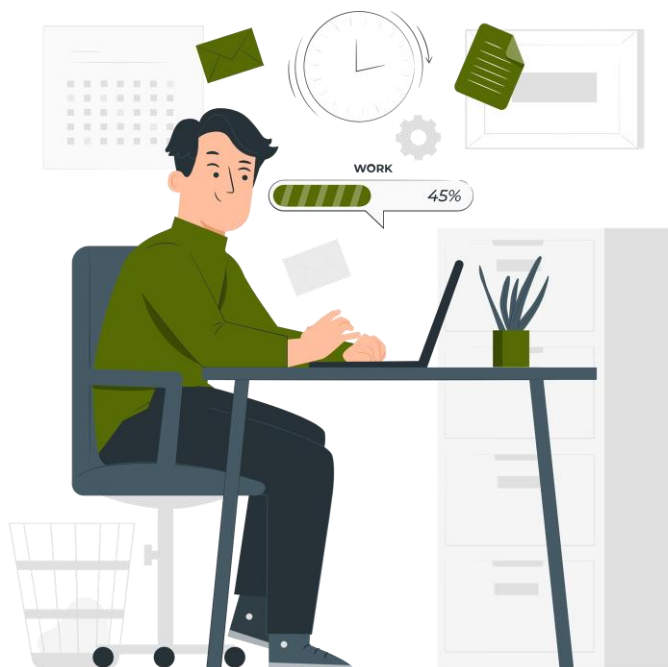


You can use colors to differentiate among the types of stakeholders (who can help you with finances, etc.) – you can make your own stakeholder categories!

03

Invest in your financial literacy

Exercise 3 – Financial literacy test



Test your financial literacy and understanding by taking a short quiz ([PISA test, developed by OECD](#)).

Each question represents a level achieved in financial literacy (1 to 5) and provides an explanation, for you to self-assess your financial skills.

15 min.
(3 min / question)

04

*Are you ready to finance your
business?*

Costs of running a business



A business can have various financial requirements, here are some examples (of course, it depends on the type of business):

- **Development funding** (feasibility analysis, prototyping, etc.)
- **Direct product costs** (buying needed raw material for production)
- **General management and administration costs:** from marketing, legal or intellectual property or rights, distribution, office supplies, travel and accommodation costs, insurance, utilities, accounting, etc.
- **Staff costs:** direct (salaries, taxes) or indirect
- **Equipment and machinery** – needed for production or the daily activity of the business.

And the list goes on - assessing the financial resources and potential flow is an essential part of a business plan (see module III).

Ways to finance your business

Sources of funds (the list comprises of common sources and is not limited to the items named)

- Personal funds, friends & family
- Competitions
- Accelerator programmes
- Grant aid
- Private investors
- Venture capital funds
- Crowdfunding
- Online fundraising
- EU funding (e.g. Horizon)
- Bank loans
- Impact funds (for social businesses)
- Invoice discounting / factoring
- Leasing

There could be tax breaks for specific sectors of activities.

Check your national tax regulation.

Finding out more about financing opportunities for your business can help you identify other potential stakeholders.

The suitability of a funding choice depends on the lifecycle of the business, its size and the owner's and the team's level of knowledge and competencies. It also depends on the market.

What is crowdfunding?

Crowdfunding is defined as a group of people funding a project or business, instead of one or two major investors. There are four types of crowdfunding:

- **Donation-based** – people (backers) financing a project/campaign/business without expecting anything in return: because they have the means, they identify with your cause or goals, etc.
- **Debt-based** (peer to peer lending) – the money paid is to be returned with an interest.
- **Rewards-based** – backers receive something in return for their donations (a product, a service, a discount, etc.).
- **Equity-based** – backers get a portion of the business in exchange for funding (is a type of investment).

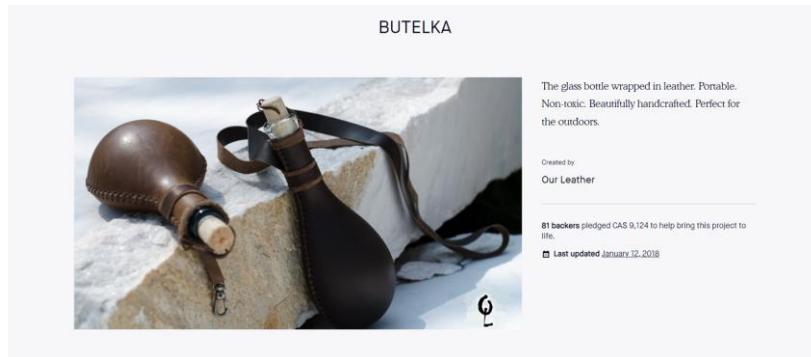
Crowdfunding today,
tomorrow, together



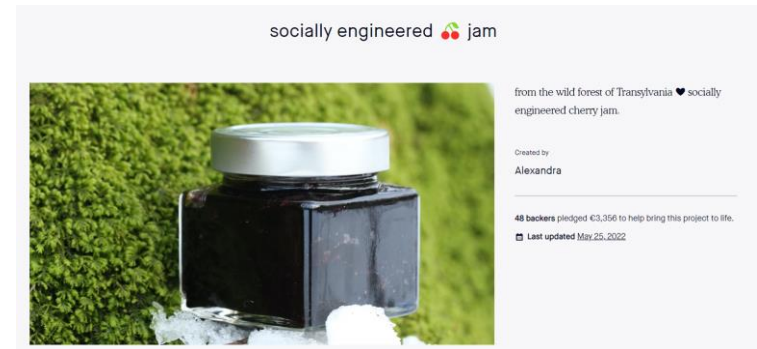
Accessing your crowdfunding potential

There are various platforms available that provide crowdfunding services.

Here are some examples of crowdfunding small and local businesses or initiatives on the platform Kickstarter:



https://www.kickstarter.com/projects/1539404941/butelka-0?ref=discovery_location_distance



<https://www.kickstarter.com/projects/459322854/socially-engineered-jam/description>

Exercise 4 – Identifying successful projects funded through crowdfunding activities



What crowdfunding platforms do you know? If you don't know any, do a short research to find crowdfunding platforms that are used by businesses in your area/country.

Can you identify projects in the area of rural development that were successful? If yes, what do you think were the factors that lead to their success? If not, choose a successful project that caught your attention through its approach – what were the aspects that stood out?

45 min.

What are corporate sponsors?

Sponsors are organizations, persons or companies who offer support for your initiative/project, expecting promotion of its brand, services or products in return. There are multiple types of support that could prove useful for your business and that have an impact on the project's budget:

- **Financial** – a sponsor will provide money in exchange for promoting its products or services
- **Publicity** – providing exposure for your project. This kind of sponsorship can be beneficial for companies or organizations that do not have the budget to design a big campaign or reach a big audience. The sponsor can include your project in a media campaign, at events, in news, etc.
- **Promotional** – defined by a sponsor who has a big social media following or platform, who can promote your project in exchange for a fee, free products or services (barter), etc.
- **In-kind** – will offer products or services for your initiative/project and thus spread awareness about those products or services.

On getting corporate sponsorships

1. **Start with asking yourself:** What benefit can I offer in exchange, to the potential sponsors?
2. **Identify potential sponsors** that share something with your project, an interest, goals, the target audience, etc. You can begin by looking for companies who are commonly known by your audience.
3. **Create a pitch** (your invitation for collaboration) and personalize it to the sponsor, including personalized references to your shared interests. Make sure your pitch is concise, easy to understand and catchy – sponsors might not offer you much time to discuss details.
4. **Contact companies** – ideally, propose a meeting so you can talk freely on the topic.
5. **Make your business relationships public** –Share your sponsorships publicly to build credibility and show transparency
6. **Keep your promises**
7. Offer a **minimum risk solution** in case things don't work out as planned (e.g.: offer some benefits for free, offering a trial deal, etc.), especially if it's a new relationship – so the sponsor can test the waters.
8. **Follow-up** - follow-up with an e-mail/message that summarizes your proposal, or follow up to keep the relationship up to date.

Creating your pitch for sponsorship

1. **Tell your projects' story, describe what you do** – use the opportunity to stand out and create an emotional connection, describe your mission statement, why you do what you do.
2. **Describe your target audience demographics** – be brief.
3. **Describe your benefits**, what you can offer that can be relevant
4. **Ask for the money** – be precise and transparent, don't sell yourself short. Ideally, you could propose a sponsorship based on a year, and not just an event.
5. **Find the right person to approach in the company** – could be someone from management, public relations or marketing.
6. **Approach by conversation** – even if you get a negative response, it is important to maintain the relationship, you never know when an opportunity might come up. If the sponsor is open to future communication, you can schedule meetings to catch up or present your projects' development, send a newsletter – personalize your communication to what best fits your needs and the sponsor's.

Exercise 5 – Choosing the most suitable financing solution for your project



What opportunities do you see for making progress on the business/project? How would you handle the need for financing? What ideas or actions do you recommend?

Choose one idea or apply it to your own!

- Flour mill that can be visited
- Pour and design your own candle
- Equine therapy farm
- Walk with a llama
- Craft learning
- Sleep in a traditional house
- Antique / local handmade store
- Visit and take pictures in a picturesque lavender field

30 min.

References and additional resources

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Additional Resources

- *S.O.S. Romanian Tourism (Solutions for Organizing and Supporting Romanian Tourism)*
<https://incomingromania.org/industry/solutii-organizare-sustinere-turismului-romanesc-alianta-pentru-turism/>
- *Romanian Network for Rural development projects*
 - https://enrd.ec.europa.eu/projects-practice/en?project_keywords_filter=All&project_country=19296&field_enrd_prj_measure_tid=All&field_enrd_prj_focus_area_tid=All&f%5B0%5D=sm_enrd_eu_countries%3ARomania
 - https://enrd.ec.europa.eu/country/romania_en
- *IMM INVEST* <https://www.imminvest.ro/>
- *How to identify stakeholders* <https://www.projectmanagementdocs.com/blog/what-is-a-stakeholder-how-to-identify-analyze-and-manage-project-stakeholders/#axzz7dLKOqZzo>
- *Smart Villages Portal* https://enrd.ec.europa.eu/smart-and-competitive-rural-areas/smart-villages/smart-villages-portal_en
- *PNDR 2021-2027* <https://www.smart.org.ro/pndr-2021-2027/>
- *Search for European funding by type of organisation, field and subfield of funding:* <https://www.fonduri-structurale.ro/fisa-proiect/cautare>
- <https://www.startupcafe.ro>
- <https://www.btstup.ro/>
- <https://startarium.ro/>
- *Ministry of Tourism* <http://turism.gov.ro/web/programe-si-strategii-2/>



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Thank You!

Any questions?



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Module Complete Well Done!

Next is Module 6
Connecting to collaborations & communities: the potential of co-working and new methodologies for creative collaborations, parameters of same and success tools



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